



EMPOWERMENT OF WOMEN THROUGH SHG's IN CHITTOOR DISTRICT OF ANDHRA PRADESH

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ABSTRACT

The SHGs are promoted by the Government as if women in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain kind of work which are suitable for women in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of women in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity. The main emphasis is the spread of the banking network and introductions of new instruments and credit packages and programmes were to make the financial system responsive to the credit the weaker sections in the society. Comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labourers and other small borrowers falling below poverty line. With the implementation of the above policies, further government of India in its developmental planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. This paper mainly highlighted to the empowerment of women through SHGs bank linkage Programme in Chittoor district of Andhra Pradesh.

KEY WORDS: SHGs, Empowerment, Bank linkage.

INTRODUCTION

SHGs are novel and innovative organizational setup in India for the women upliftment and welfare. All women in India are given chance to join any one of SHGs for training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as if women in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain kind of work which are suitable for women in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of women in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity. As a social movement with government support, SHGs become more or less a part and parcel of the society.

Concept of Self Help Group

The concept of self-help groups had its origin in the co-operative philosophy and the co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a primary co-operative credit society itself. As SHG are small and economically homogenous affinity groups of rural poor, they are voluntarily coming together for achieving the following.

- To save small amount of money regularly.
- To mutually agree to contribute a common fund.
- To meet their emergency needs.
- To have collective decision making.
- To solve conflicts through collective leadership mutual discussion.
- To provide collateral free loan with terms decided by the group at the market driven rates.

Today, the self-help group movement is increasingly accepted as an innovation in the field of rural credit in many developing countries including India to help the rural poor considered a vehicle to reach the disadvantaged and marginalized section, which in the normal course cannot avail of credit facility from the bank. A self-help group is defined as a group consisting of people who have personal experience of a similar issue or life situation, either directly or through their family and friends. Sharing experiences enables them to give each other a unique quality of mutual support and to pool practical information and ways of coping. Self-help groups are small informal association of the poor created at the grass root level for the purpose of enabling members to reap economic benefits out of mutual help solidarily and joint responsibility. Self-help groups are formed voluntarily by the rural and urban poor to save and contribute to a common fund to be lent to its members as per group decision and for working together for social and economic uplift of their families and community.

A self-help group is defined as a "self-governed, peer controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose." Self-help group have been able to mobilize small savings either on weekly or monthly basis from persons who were not expected to have any savings. They have been able to effectively recycle the resources generated among the members for meeting the productive and emergent credit needs of members of the group.

Need and Importance of Self Help Group:

Self-help groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural people, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for common objective and gain strength from each other to deal with exploitation, which they are facing in several forms. A group becomes the basis for action and change. It also helps building of relationship for mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Self-help groups play an important role in differentiating between consumer credit and production credit, analyzing the credit system for its implication and changes in economy, culture and social position of the target groups, providing easy access to credit and facilitating group/organization for effective control, ensuring repayments and continuity through group dynamics; setting visible norms for interest rates, repayment schedules, gestation period, extension, writing of bad debts; and assisting group members in getting access to the formal credit institutions. Thus, self-help group disburses microcredit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural and urban poor women are participation, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The rural poor are incapacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses; hence there are needs for SHGs which is specific terms are as under:

- To mobilize the resources of the individual members for their collective economic development.
- To uplift the living conditions of the poor.
- To create a habit of savings, utilization of local resources.
- To mobilize individual skills for group's interest.
- To create awareness about right.
- To assist the members financial at the time of need.
- Entrepreneurship development.

- To identify problems, analyzing and finding solutions in the groups.
- To act as a media for socio-economic development of village.
- To develop linkage with institution of NGOs.
- To organize training for skill development.
- To help in recovery of loans.
- To gain mutual understanding, develop trust and self-confidence.
- To build up teamwork.
- To develop leadership qualities.
- To use it as an effective delivery channel for rural credit.

Characteristics of SHGs

The important characteristics of self-help groups are as follows:

1. They usually create a common fund by contributing their small savings on a regular basis.
2. Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding greater needs.
3. Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
4. The amounts loaned are small, frequent and for short duration.
5. Rates of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.
6. At periodical meetings, besides collecting money, emerging rural, social and economic issues are discussed.
7. Defaulters are rare due to group pressure and intimate knowledge of the end use of the credit as also the borrower's economic resources.

Evolution of Self Help Groups in India

In India, soon after independence, there has been an aggressive effort on the part of the government, which was concerned with improving the access of the rural poor to formal credit system. Some of these measures have been institutional, while some others were through implementation of focused programmes for removal of rural poverty. Reaching out of the far-flung rural areas to provide credit and other banking services to the hitherto neglected sections of the society is an unparalleled achievement of the Indian banking system. The main emphasis is the spread of the banking network and introductions of new instruments and credit packages and programmes were to make the financial system responsive to the credit the weaker sections in the society. Comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labourer's and other small borrowers falling below poverty line. With the implementation of the above policies, further government of India in its developmental planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. In pursuance of this, formal credit institutions have been guided by the principle of growth with equity and a large share of the credit disbursed for various activities was channelized towards the weaker sections of the society.

Formation of Self Help Groups

There are three stages in SHG evolution.

- i) Group formation
- ii) Capital formation through revolving fund and skill development.
- iii) Income generating activities.

Group Formation:

Group formation is not a spontaneous process. External agencies, individual working with communities can act as a facilitator in the formation of groups and its development. Self Help Group Institution (SHGI) plays a vital role in the initial stages of group formation. The external facilitators are generally Non-governmental organization, social workers, village level worker, informal associations of local people, community based organizations, government departments, banks, farmer clubs etc. They interact with the poor families especially women to identify the small homogenous groups. The members regularly meet on a fixed time and date in a month to collect savings from members under the supervision of SHPI/NGOs. Thus SHGs will inculcate the habit of thrift and credit among the members, who generally belong to the families of BPL.

Capital formation through revolving fund and skill development:

Self -help groups are taught simple principles of accounting and facilitated to receive external funds in multiples of their savings. SHPIs, bankers or donors are the sources of funding for SHGs. The corpus consists of own savings and other external funds (Revolving fund, grants, loans). Small loan from corpus fund are given to needy members. The loans are given to members on a participatory method during the regular meeting etc. The loans have a definite repayment schedule, which is usually of short duration. The funds thus are rotated among themselves. The groups shall have a bank account to deposit the savings, revolving funds etc. The group shall maintain certain basic records as well.

Meetings:

The group decides the periodicity of the meetings and regular monitoring, attendance of the meeting, punctuality of the members, disciplinary action on errant members etc. Generally, each group meets at least once in a month at a fixed time, some groups meet twice a month to transact their business. The meeting place may be the house of a leader, a common place, a temple, panchayat building etc. Absentee member are liable for fine, which becomes the part of corpus funds of the group.

Maintenance of registers:

Each SHG maintain certain basic register for effective monitoring, accountability and transparency. The register of SHGs includes minute book, attendance register, ledger book, cash book, bank pass book etc. These registers are suggested by promoter (banker, NGO), which may vary from place to place. The details of meetings, proceedings, attendance, member wise savings and credit, bank transactions etc. are verifiable from these registers. The registers are maintained by a book keeper (President/treasurer/literate members), who is paid monthly honorarium for maintaining these registers.

Pattern of leadership:

Each group shall have leaders, who represent the group matters in various platforms. The nomenclature of leaders varies from region to region and state to state. The leaders are elected from the members on rotation. Leaders aid to democratic function of the group. The purpose of rotation is to see that the leadership qualities are developed among the members of the group. However, the experience in Andhra Pradesh indicates that the rotation of leadership apparently take place on the prescribed manner. The same leaders continue to hold the office and or influence the leadership.

Awareness of group:

The group will create awareness among the members and empowerment of members take place. The members will have to know the purpose of group formation, activities and operations, savings, credits etc. The members are expected to participate actively in the group discussion and decision making process. SHG helps to work as a cohesive group and will have transparency in the transactions.

Group activities:

Savings and credit are the two important dimensions of SHG movement. Regularity in savings and method of dealing with defaulters are the important features of savings. The credit function of SHGs is judged by decision making process adopted credit requirement and quantum of loans sanctioned, system of monitoring credit repayment pattern etc. The group has to monitor their performance regularly.

Memberships:

Only one responsible person from a family aged around 21-60 years can become member in the groups. The members/persons who are involved in any party politics activities or involved in any type of antisocial activities or the willful defaulters are not eligible for membership in the group. The size of the group shall be around 10 to 20 members.

Group Meeting:

1. The group members meetings should be held once a week or fortnight / month regularly on a convenient day, place and time as decided by the group.
2. The members should attend all the meeting in time without fail.
3. The member who unable to attend the meeting for genuine reasons, the same has to be intimated to the group in person or through a messenger in advance or at least informed at the same meeting. If fails the member is liable to pay fine for the absence as decided by the group.
4. The latecomers for the meeting and those who walk out in the middle without intimating the chairpersons are liable to pay fine as decided by the group.
5. If a member was absent for three consecutive meetings without genuine reasons such person's membership shall be suspended or cancelled with or without notice.
6. Unrelated issues / points should not be brought for discussion in the group meetings.
7. The members should not use vulgar words or physical force against any

- member during the meeting and the violators or mis-behaviours have to pay fine as decided by the group or their membership shall be cancelled.
8. The members should not sleep or stay separate from the group during the meeting.
 9. All the members should have to sign in the minute's book at the end of the meeting after recorded proceedings of each meeting are readout and confirmed

Society for Elimination of Rural Poverty Velugu-Chittoor District

Society for Elimination of Rural Poverty is an independent, autonomous organization registered under the Societies Registration Act, set up in the year 2000. This Society has been promoted by the Govt. of Andhra Pradesh and has come into being to implement the Poverty Alleviation Projects of Gov. of AP, especially AP District Poverty Initiative Programmed as a sensitive support mechanism. SERP Intends to extend its services to the rural poor with passion and professionalism. It believes that the poor have the potential to help themselves to come out of poverty if they are willing, but they need social guidance and support to harness that potential.

Objectives:

1. Evolve strategies and work for empowerment of poor through social mobilization and institution building.
2. Promotion of the poor people's institutions at grassroots.
3. Build the capacities of local bodies to address the needs of the rural poor.
4. Serve as resource center for research, analysis, training, studies on social situations, and economic conditions of the poor and social mobilization.
5. Elimination of the child labor system.
6. Implementation of specific anti-poverty programmers.
7. To be a center of documentation and information dissemination on all aspects of poverty alleviation and to act as a forum of advocacy for the formulation and implementation of pro-poor policies, plans and programmers
8. To undertake all relevant activities, including implementation of specific projects funded by government, bilateral, multilateral and other funding agencies for elimination of poverty, development of relevant and social sectors and fulfillment of basic minimum needs of the poor.
9. Establish models for participatory social and economic development of the rural poor in conformity with all these objectives and prove their relevance, sustainability and reliability

SERP combines the authority and accountability of the government and operational flexibility of an NGO and an autonomous organization. It is committed to expedite the implementation of the programmers to reach the target poor and facilities transfer of ultimate control of all the initiatives to the participating communities. The below table indicates that the total number of mandals and mandal samkyas in Chittoor district. The total number of SHGs in Chittoor district was 62571 as on March 2015 and SGHs group member was 649243 at the same period.

Table-1

Self - Help Groups and its Federations Status Report as on March, 2015

1	Total Mandals	:	66
2	Total Mandal Samakyas	:	65
3	Total Village Organizations	:	2520
4	Total women Self Help Groups	:	62571
5	Total women Self Help Group members	:	649243
6	Pop Self Help Groups	:	20193
7	Pop Self Help Group members	:	168780
8	Poor Self Help Groups	:	40173
9	Poor Self Help Group members	:	468324
10	Non poor Self Help Groups	:	2205
11	Non poor Self Help Group members	:	12139
12	Pwd Self Help Groups	:	2777
13	Pwd Self Help Group members	:	11307
14	No of pop poor households to be joined in Self Help Groups	:	16980
15	No of mandal samakya's registered under AP MACS ACT	:	65
16	No of VO's Registered under AP MACS ACT 1995	:	2346

Source: Chittoor District annual reports.

The bank linkage to SHGs loan target and achievement indicates below table-2. It shows that the annual target of the number of self-help groups increased from 43,837 in 2014-15 to 29,528 in 2013-14. The amount of the target is Rs. 1777.43 and Rs.1091.11 at the same period. The target of achievement is reached 147 per cent in the year 2013-14 and 77 per cent in the year 2014-05.

Table-2
Bank Linkage Achievement March-2015

Details	Annual Target (Rs in Crores)		Achievement (Rs. in Crore)		% of Achievement
	No of SHGs	Amount	No of SHGs	Amount	
2013-14	29528	1091.11	42042	1601.23	147.00
2014-15	43837	1777.43	29764	1137.94	77

Source: Chittoor District annual reports.

The Loan Disbursement & Recovery Percentage in Chittoor District show that the table-3. The table revives that loan disbursement target and achievement in the year 2012-13 to 2014-15. The target of loan disbursement increased from Rs. 8,000 in 2012-13 to Rs. 13,500 in 2014-15. The recovery percentage of SHGs almost average 99 per cent each year.

Table-3
**Loan Disbursement & Recovery Percentage in Chittoor District
(Rs. in Lakhs)**

SI. No.	Year	Loan Disbursement Target	Achievement				
			SHGs	Members	Amount (in lakhs)	% of loan Achievement	% of Recovery
1	2012-13	8000.00	10554	48306	9164.00	114.00	97.59
2	2013-14	12300.00	17192	77065	14631.00	119.00	99.40
3	2014-15	13500.00	8493	40758	9011.45	66.75	96.94

Source: Chittoor District annual reports.

Conclusion:

Self -help groups are taught simple principles of accounting and facilitated to receive external funds in multiples of their savings. SERP combines the authority and accountability of the government and operational flexibility of an NGO and an autonomous organization. It is committed to expedite the implementation of the programmers to reach the target poor and facilities transfer of ultimate control of all the initiatives to the participating communities. The total number of SHGs in Chittoor district was 62571 as on March 2015 and SGHs group member was 649243 at the same period. The bank linkage to SHGs loan target and achievement indicates below table-2. It shows that the annual target of the number of self-help groups increased from 43,837 in 2014-15 to 29,528 in 2013-14. The amount of the target is Rs. 1777.43 and Rs.1091.11 at the same period. The target of achievement is reached 147 per cent in the year 2013-14 and 77 per cent in the year 2014-05. The recovery percentage of SHGs in Chittoor district is significance a period of time.

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